



## **SUPPLEMENTAL ENVIRONMENTAL PROJECTS (SEPs) FISCAL YEAR 2002 CLEAN AIR ACT (CAA)**

U.S. EPA REGION 5 - Office of Regional Counsel

(An electronic version of this report is available at: <http://www.epa.gov/region5/orc/reports.htm>)

### **Introduction:**

#### **What are SEPs?**

EPA defines SEPs as environmentally beneficial projects which a defendant/respondent agrees to undertake in settlement of an enforcement action, but which the defendant/respondent is not otherwise legally required to perform. On April 10, 1998, EPA issued its final SEP Policy (available at: <http://www.epa.gov/compliance/civil/seps/>), which sets forth, among other things, uses of SEPs, categories of SEPs, and legal guidelines for SEPs.

SEPs may not be appropriate in settlement of all cases, but they are an important part of EPA's enforcement program. While penalties play an important role in environmental protection by deterring violations and creating a level playing field, SEPs can play an additional role in securing significant environmental or public health protection and improvements. SEPs bring regulated entities above and beyond mere compliance with federal environmental laws. Also, a SEP may be particularly appropriate to further the objectives in the statutes EPA administers and to achieve other policy goals, including promoting pollution prevention and environmental justice. As a general rule, the net costs to be incurred by a violator in performing a SEP may be considered as one factor in determining an appropriate settlement amount. Thus, in some instances, a cash penalty may be lowered if the violator chooses to perform an acceptable SEP.

EPA encourages SEPs that fit into at least one of the following eight categories: 1) Public Health; 2) Pollution Prevention; 3) Pollution Reduction; 4) Environmental Restoration and Protection; 5) Emergency Planning and Preparedness; 6) Assessments and Audits; 7) Environmental Compliance Promotion; and 8) Other Types of Projects that have environment merit but do not fit within the categories listed above. Also, SEPs must be related to the alleged violation. Once a SEP is approved and agreed upon, EPA does not manage the SEP or control the money for the project, but does provide oversight to ensure that the company performs the SEP as agreed.

For a more complete description of EPA's SEP program please visit Region 5 ORC's SEP description Web page at: <http://www.epa.gov/region5/orc/annualreports/sepdescr.htm>.

### **ORC's SEP Case Lists**

Below you will find two comprehensive, descriptive lists of all Region 5 enforcement cases concluded in Fiscal Year 2002 that include SEPs as part of the settlement agreement. The first list orders the cases alphabetically; the second list orders the cases by statute.

A few important notes concerning the content and format of these lists will help you, the reader, better understand the information the lists present.

For each case, the lists provide: 1) the name and address of the Defendant or Respondent (the term "Respondent" refers to the party to whom an administrative order was issued or an administrative complaint was served; the term "Defendant" refers to the party in a civil judicial lawsuit against whom relief is sought); 2) the enforcement action identifier number, which is the number the EPA uses to identify the case; 3) the type of SEP, i.e. Pollution Prevention, Pollution Reduction . . . etc., see SEP categories above; 4) the SEP description; 5) the value of the SEP; 6) the applicable statute; 7) the type of order, i.e. civil judicial or administrative; 8) the date of the order; 9) the original and final penalty; 10) the cost of the injunctive relief; and 11) the Quantitative Reductions (estimated), which indicate the estimated amount of pollutant projected to be reduced, eliminated or prevented as a result of the SEP.

As mentioned above, because EPA's SEP policy provides penalty mitigation incentives in those cases involving both a SEP and a monetary penalty, it is not uncommon to find that the penalty has been reduced upon the successful negotiation of the SEP. For this reason, both the original and the final penalties are provided for those cases that include a penalty.

It is also worth noting that this report simply describes the SEP that the Respondent or Defendant agreed to undertake as part of the settlement, it does not indicate whether the SEP has been completed. Accordingly, the "Value of SEP" number may not reflect the actual cost of the SEP; rather, this number represents the projected cost value of the SEP at the time of settlement.

For more information about Region 5 Office of Regional Counsel's FY 2002 end-of-year reports, go to: <http://www.epa.gov/region5/orc/reports.htm>.

## **CAA**

Number of CAA cases with SEPs:	12
Total cost value of SEPs in CAA cases:	\$16,881,206
Value of final penalties in CAA cases with SEPs:	\$9,833,332
Number of pollution prevention SEPs in CAA cases:	8

### **Dynachem, Inc. P. O. BOX 19, Maple Grove Road Georgetown, IL**

Enforcement Action Identifier:	05-2001-0568
Attorney/Program Contacts:	Kathleen Schnieders/Randa Bishlawi
Type of SEP:	Pollution Prevention/Improved Housekeeping/O&M, Training, Inventory Control
SEP Description:	Dynachem purchased an additional state of the art volatile organic compound (VOC) leak detection monitor to detect VOC leaks.
Value of SEP:	\$5,679
Statute:	Clean Air Act

Type of Order:	Administrative Penalty Order
Date of Order:	12/21/2001
Original/Final Penalty:	\$8,296/\$5,000
Cost of Injunctive Relief:	\$1,000
Quantitative Reductions (estimated amount):	N/A

**Keil Chemical, a division of Ferro Corporation**  
**3000 Sheffield Ave.**  
**Hammond, IN**

Enforcement Action Identifier:	05-1999-0627
Attorney/Program Contact:	Susan Tennenbaum
Type of SEP:	Environmental Restoration and Protection
SEP Description:	Keil agreed to pay \$844,000 to a Hammond City fund that will be used to restore a brownfield site located in an environmental justice area. The money will be used to clean up and redevelop the site.
Value of SEP:	\$514,150
Statute:	Clean Air Act
Type of Order:	Consent Decree
Date of Order:	05/28/2002
Original/Final Penalty:	\$5,000,000/\$3,000,000
Cost of Injunctive Relief:	\$3,000,000
Quantitative Reductions (estimated amount):	30 acres of volatile organic compounds (VOCs).

**Gerken Materials****11330 Airport Highway, Swanton, OH****1180 Plasterbed Road, Port Clinton, OH****15203 S. Telegraph, Monroe, MI****26 East Kibler Street, Bluffton, OH****310 Quarry Drive, Bluffton, OH****3434 Centennial Rd., Sylvania, OH****600 S. River Rd. Waterville, OH****6126 S. Main, West Millgrove, OH****7751 North Township Road 82, Flat Rock, OH****8116 Billing Rd. Castalia, OH****9-051 US Route 24, Napoleon, OH****P.O. Box 627, Custar OH**

Enforcement Action Identifier:

Attorney/Program Contacts:

Type of SEP:

SEP Description:

05-2003-0234

Cynthia King/Julie Monahan

Assessments and Audits

Gerken Materials will:

- 1) implement a compliance recordkeeping program;
- 2) perform a voluntary air compliance audit of their asphalt and aggregate facilities;
- 3) implement the Sylvania paving project, which entails paving 16,000 square feet at the Sylvania, Ohio facility;
- 4) purchase and implement with training, a land combustion portable efficiency analyzer at their Napoleon, Ottawa, West Milgrove, Custar, and Bloomville, Ohio facilities; and
- 5) purchase, install, and maintain a blue smoke vent condenser for 1.2 million gallon liquid asphaltic concrete bulk storage tank at the Bluffton, Ohio facility.

Value of SEP:

\$0;

\$108,164;

\$0;

\$0;

\$0

Statute:

Clean Air Act

Type of Order:

Administrative Penalty Order

Date of Order:

09/23/2002

Original/Final Penalty;

\$90,470/\$90,470

Cost of Injunctive Relief:

\$0

Quantitative Reductions (estimated amount):N/A

**Knauf Fiber Glass, GmbH**  
**240 Elizabeth St.**  
**Shelbyville, IN**

Enforcement Action Identifier: 05-1998-0609  
Attorney/Program Contacts: Padmavita Bending/Howard Pham  
Type of SEP: Pollution Prevention/Energy Efficiency-Conservation  
SEP Description: This SEP involves the installation of a baghouse on the furnace stack in order to convert the furnace stack to a natural gas/oxygen fuel system that will decrease pollutants.  
Value of SEP: \$117,561  
Statute: Clean Air Act  
Type of Order: Consent Decree  
Date of Order: 04/11/2002  
Original/Final Penalty: Not Reported/\$70,000  
Cost of Injunctive Relief: \$0  
Quantitative Reductions (estimated amount): 86,000 lbs. of particulate matter per year; carbon monoxide (CO); nitrogen oxides (NOx).

**Laminated Products, Inc.**  
**5718 52nd St.**  
**Kenosha, WI**

Enforcement Action Identifier: 05-2001-0453  
Attorney/Program Contacts: Jeffrey Trevino/Farro Assadi  
Type of SEP: Pollution Prevention/Raw Materials Substitution  
SEP Description: Laminated Products, Inc. will substitute water based adhesives for solvent based adhesives used in the post-forming process.  
Value of SEP: \$298,000  
Statute: Clean Air Act  
Type of Order: Administrative Penalty Order  
Date of Order: 11/19/2001  
Original/Final Penalty: \$38,500/\$9,625  
Cost of Injunctive Relief: \$0  
Quantitative Reductions (estimated amount): 35,000 lbs. volatile organic compounds (VOCs) per year.

**Mayville Limestone, Inc.**  
**W. 2848 State Road 33**  
**Mayville, WI**

Enforcement Action Identifier:  
Attorney/Program Contacts:  
Type of SEP:

05-2002-0102  
Cynthia King/ Manojkumar Patel  
Pollution Prevention/Equipment-Technology  
Modification; Public Health

SEP Description:

**SEP No. 1** - Installation and operation of spray bars on crushing operations: This SEP involves installation of a Dustpro Model 104 spray system consisting 10 gallons per minute (gpm), 200 psi pump module with four output spray lines. Line 1 would be installed at the feed hopper to suppress dust when truck dumps limestone. Lines 2 and 3 would be installed at the primary and secondary crushers. Spray treatment will control fugitive particles that are generated from the crushers and add some moisture to help control dust from the downstream screening and conveying operations. Line 4 can be brought into service in the event visible dust persists at screen discharges or stacking conveyors. This project will reduce fugitive particulate emissions by an estimated 80%.

**SEP No. 2** - Installation and operation of spray bars and rail-car and truck loadouts: This SEP involves installation of a Dustpro Model 102 spray system to control dust from rail car and truck loadout operations. The spray system consists of a 10-gpm pump module equipped with two output spray lines. Line 1 would be used to control fugitive particulate emissions at the railcar loadout. Line 1 contains two sets of spray nozzles. The first set is located at the discharge of the screw conveyor. The second set is located about the perimeter of the discharge chute and is designed to suppress any fugitive particulate that escapes from under the chute. Line 2 would be used at the truck loadout. Nozzles installed about the perimeter of the slide gate are used to suppress fugitive particulate that occurs when the product falls into trucks. This project will reduce fugitive particulate emissions by an estimated 80%.

**SEP No. 3** - Water truck with amended water spraying: Mayville agreed to purchase and then operate a water truck equipped with an amended water spraying system to control fugitive emissions at the limestone quarry. The amended water spraying

system will consist of chemical suppressants which will add a layer of moisture for a longer duration to help control dust. Mayville will use the amended water spraying system regularly when plant operations including trucks are being moved in the plant property. This project will reduce fugitive emissions.

Value of SEP: \$123,124  
Statute: Clean Air Act  
Type of Order: Administrative Penalty Order  
Date of Order: 10/18/2001  
Original/Final Penalty: \$193,122/\$36,686  
Cost of Injunctive Relief: \$114,548  
Quantitative Reductions (estimated amount): An estimated 48,000 lbs. of particulate matter will be reduced by implementing the above described SEPs.

**Murphy Oil USA, Inc.**  
**2400 Stinson Ave.**  
**Superior, WI**

Enforcement Action Identifier: 05-1998-0719  
Attorney/Program Contacts: Jose Deleon/Spiros Bourgikos  
Type of SEP: Pollution Prevention/Process-Procedure Modification;  
Pollution Prevention/Raw Materials Substitution;  
Pollution Reduction

SEP Description: This SEP involves the reduction of sulfur dioxide emissions from the fluidized catalytic cracker unit (FCCU) and the reduced burning of fuel oil from process heaters and boilers.

Value of SEP: \$7,500,000  
Statute: Clean Air Act  
Type of Order: Consent Decree  
Date of Order: 03/19/2002  
Original/Final Penalty: \$5,500,000/\$5,500,000  
Cost of Injunctive Relief: \$4,500,000  
Quantitative Reductions (estimated amount): 1,200,000 lbs. of sulfur dioxide (SO<sub>2</sub>) per year

**Ohio Screw Products, Inc.**  
**818 Lowell**  
**St. Elyria, OH**

Enforcement Action Identifier: 05-2001-0492  
Attorney/Program Contacts: David Mucha/ Julie Monahan  
Type of SEP: Environmental Restoration and Protection; Pollution Prevention/Equipment-Technology Modification  
SEP Description: Ohio screw products agreed to remove its batch vapor degreaser, and install an aqueous degreaser or another

environmentally improved cleaning system that achieves at least a 50% reduction of the potential to emit of the current degreaser.

Value of SEP: \$80,000  
Statute: Clean Air Act  
Type of Order: Administrative Penalty Order  
Date of Order: 05/20/2002  
Original/Final Penalty: \$81,912/\$20,000  
Cost of Injunctive Relief: \$0  
Quantitative Reductions (estimated amount): Solvents Email to program contact 4/18/06

**Pole Zero Corporation**  
**5530 Union Centre Dr.**  
**West Chester, OH**

Enforcement Action Identifier: 05-2001-0227  
Attorney/Program Contacts: Robert Guenther/Julie Monahan  
Type of SEP: Pollution Prevention/Equipment-Technology Modification  
SEP Description: Pole Zero will remove the batch vapor degreaser and install an aqueous or other environmentally improved cleaning system that is at least as environmentally beneficial as an aqueous system.

Value of SEP: \$75,000  
Statute: Clean Air Act  
Type of Order: Administrative Penalty Order  
Date of Order: 03/14/2002

Original/Final Penalty: \$159,043/ \$17,500  
Cost of Injunctive Relief: \$0  
Quantitative Reductions (estimated amount): Information Pending

**R&F Metals Company, Inc.**  
**9101 West Fort Street**  
**Detroit, MI**

Enforcement Action Identifier: 05-2001-0457  
Attorney/Program Contact: Richard Clarizio  
Type of SEP: Environmental Compliance Promotion; Pollution Reduction; Public Health  
SEP Description: R & F Metals Company agreed to three SEPs addressing track-out reduction, storm water collection and treatment, chlorofluorocarbons (CFCs) assessment and a recovery program.

Value of SEP: \$129,000



Statute: Clean Air Act  
Type of Order: Administrative Penalty Order  
Date of Order: 01/23/2002  
Original/Final Penalty: \$319,000/\$250,000  
Cost of Injunctive Relief: \$0  
Quantitative Reductions (estimated amount):N/A

**Rogers Group, Inc.**  
**350 S. Adams St.**  
**Bloomington, IN**

Enforcement Action Identifier: 05-2001-0300  
Attorney/Program Contacts: Joanna Glowacki/Sara Dauk  
Type of SEP: Pollution Prevention/Process-Procedure Modification  
SEP Description: Rogers agreed to replace the ductwork connecting the dryer to the baghouse with a new design that will reduce the number of bends the dust has to travel through. This will decrease the amount of fugitive emissions that escape from the duct work.

Value of SEP: \$17,116  
Statute: Clean Air Act  
Type of Order: Administrative Penalty Order  
Date of Order: 12/11/2001  
Original/Final Penalty: \$19,250/\$4,813  
Cost of Injunctive Relief: \$0  
Quantitative Reductions (estimated amount):N/A

**Technisand, Inc.**  
**3840 Livingston Rd.**  
**Bridgman, MI**

Enforcement Action Identifier: 05-2000-0058  
Attorney/Program Contacts: John Steketee/Farro Assadi  
Type of SEP: Pollution Reduction  
SEP Description: Technisand agreed to install a baghouse for process emission points currently not required to be controlled. They also agreed to pave unpaved roads and parking areas to reduce fugitive dust from vehicle traffic.

Value of SEP: \$109,444  
Statute: Clean Air Act  
Type of Order: Administrative Penalty Order  
Date of Order: 01/25/2002  
Original/Final Penalty: \$214,003/\$28,192  
Cost of Injunctive Relief: \$320,000  
Quantitative Reductions (estimated amount):136,000 lbs. of particulate matter per year.

